

Public Law 767 - 83d Congress  
Chapter 1212 - 2d Session  
H. R. 9709

AN ACT

To extend and improve the unemployment compensation program.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, effective with respect to services performed after December 31, 1955, section 3306 (a) of the Internal Revenue Code of 1954 is hereby amended by striking out "eight or more" and inserting in lieu thereof "4 or more". Unemployment compensation.  
Number of employees.  
68A Stat. 447.

SEC. 2. Effective with respect to rates of contributions for periods after December 31, 1954, section 3303 (a) of the Internal Revenue Code of 1954 is hereby amended by adding after paragraph (3) the following: 68A Stat. 440.

"For any person (or group of persons) who has (or have) not been subject to the State law for a period of time sufficient to compute the reduced rates permitted by paragraphs (1), (2), and (3) of this subsection on a 3-year basis, the period of time required may be reduced to the amount of time the person (or group of persons) has (or have) had experience under or has (or have) been subject to the State law, whichever is appropriate, but in no case less than 1 year immediately preceding the computation date." Reduced rates.  
New employers.

SEC. 3. Effective with respect to the taxable year 1955 and succeeding taxable years, section 6152 (a) (3) of the Internal Revenue Code of 1954 is hereby repealed. Quarterly installments.  
68A Stat. 758.

SEC. 4. (a) The Social Security Act, as amended, is further amended by adding after title XIV thereof the following new title: 49 Stat. 620.  
42 USC 1305.

"TITLE XV—UNEMPLOYMENT COMPENSATION FOR  
FEDERAL EMPLOYEES

"DEFINITIONS

"SEC. 1501. When used in this title—

"(a) The term 'Federal service' means any service performed after 1952 in the employ of the United States or any instrumentality thereof which is wholly owned by the United States, except that the term shall not include service performed—

"(1) by an elective officer in the executive or legislative branch of the Government of the United States;

"(2) as a member of the Armed Forces of the United States;

"(3) by foreign service personnel for whom special separation allowances are provided by the Foreign Service Act of 1946 (60 Stat. 999); 22 USC 801 note

"(4) prior to January 1, 1955, for the Bonneville Power Administrator if such service constitutes employment under section 1607 (m) of the Internal Revenue Code of 1939; 68A Stat. 939,  
453.

"(5) outside the United States by an individual who is not a citizen of the United States; 68 Stat. 1130.  
68 Stat. 1131.

"(6) by any individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act of 1930 because he is paid on a contract or fee basis; 46 Stat. 468.  
5 USC 691 note.

"(7) by any individual as an employee receiving nominal compensation of \$12 or less per annum;

"(8) in a hospital, home, or other institution of the United States by a patient or inmate thereof;

"(9) by any individual as an employee included under section 2 of the Act of August 4, 1947 (relating to certain interns, student 61 Stat. 727.

nurses, and other student employees of hospitals of the Federal Government; 5 U. S. C., sec. 1052);

"(10) by any individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency;

"(11) by any individual as an employee who is employed under a Federal relief program to relieve him from unemployment;

"(12) as a member of a State, county, or community committee under the Production and Marketing Administration or of any other board, council, committee, or other similar body, unless such board, council, committee, or other body is composed exclusively of individuals otherwise in the full-time employ of the United States; or

"(13) by an officer or a member of the crew on or in connection with an American vessel (A) owned by or bareboat chartered to the United States and (B) whose business is conducted by a general agent of the Secretary of Commerce, if contributions on account of such service are required to be made to an unemployment fund under a State unemployment compensation law pursuant to section 1606 (g) of the Internal Revenue Code of 1939 or section 3305 (g) of the Internal Revenue Code of 1954."

68A Stat. 446.

For the purpose of paragraph (5) of this subsection, the term 'United States' when used in a geographical sense means the States, Alaska, Hawaii, the District of Columbia, Puerto Rico, and the Virgin Islands.

"(b) The term 'Federal wages' means all remuneration for Federal service, including cash allowances and remuneration in any medium other than cash.

"(c) The term 'Federal employee' means an individual who has performed Federal service.

"(d) The term 'compensation' means cash benefits payable to individuals with respect to their unemployment (including any portion thereof payable with respect to dependents).

"(e) The term 'benefit year' means the benefit year as defined in the applicable State unemployment compensation law; except that, if such State law does not define a benefit year, then such term means the period prescribed in the agreement under this title with such State or, in the absence of an agreement, the period prescribed by the Secretary.

"(f) The term 'Secretary' means the Secretary of Labor.

#### "COMPENSATION FOR FEDERAL EMPLOYEES UNDER STATE AGREEMENTS

"SEC. 1502. (a) The Secretary is authorized on behalf of the United States to enter into an agreement with any State, or with the agency administering the unemployment compensation law of such State, under which such State agency (1) will make, as agent of the United States, payments of compensation, on the basis provided in subsection (b) of this section, to Federal employees, and (2) will otherwise cooperate with the Secretary and with other State agencies in making payments of compensation under this title.

68 Stat. 1131.

68 Stat. 1132.

"(b) Any such agreement shall provide that compensation will be paid by the State to any Federal employee, with respect to unemployment after December 31, 1954, in the same amount, on the same terms, and subject to the same conditions as the compensation which would be payable to such employee under the unemployment compensation law of the State if the Federal service and Federal wages of such employee assigned to such State under section 1504 had been included as employment and wages under such law.

"(c) Any determination by a State agency with respect to entitlement to compensation pursuant to an agreement under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent.

"(d) Each agreement shall provide the terms and conditions upon which the agreement may be amended or terminated.

"COMPENSATION FOR FEDERAL EMPLOYEES IN ABSENCE OF STATE AGREEMENT

"SEC. 1503. (a) In the case of a Federal employee whose Federal service and Federal wages are assigned under section 1504 to a State which does not have an agreement under this title with the Secretary, the Secretary, in accordance with regulations prescribed by him, shall, upon the filing by such employee of a claim for compensation under this subsection, make payments of compensation to him with respect to unemployment after December 31, 1954, in the same amounts, on the same terms, and subject to the same conditions as would be paid to him under the unemployment compensation law of such State if such employee's Federal service and Federal wages had been included as employment and wages under such law, except that if such employee, without regard to his Federal service and Federal wages, has employment or wages sufficient to qualify for any compensation during the benefit year under the law of such State, then payments of compensation under this subsection shall be made only on the basis of his Federal service and Federal wages.

"(b) In the case of a Federal employee whose Federal service and Federal wages are assigned under section 1504 to Puerto Rico or the Virgin Islands, the Secretary, in accordance with regulations prescribed by him, shall, upon the filing by such employee of a claim for compensation under this subsection, make payments of compensation to him with respect to unemployment after December 31, 1954, in the same amounts, on the same terms, and subject to the same conditions as would be paid to him under the unemployment compensation law of the District of Columbia if such employee's Federal service and Federal wages had been included as employment and wages under such law, except that if such employee, without regard to his Federal service and Federal wages, has employment or wages sufficient to qualify for any compensation during the benefit year under such law, then payments of compensation under this subsection shall be made only on the basis of his Federal service and Federal wages.

"(c) Any Federal employee whose claim for compensation under subsection (a) or (b) of this section has been denied shall be entitled to a fair hearing in accordance with regulations prescribed by the Secretary. Any final determination by the Secretary with respect to entitlement to compensation under this section shall be subject to review by the courts in the same manner and to the same extent as is provided in section 205 (g) with respect to final decisions of the Secretary of Health, Education, and Welfare under title II.

58 Stat. 1132.  
58 Stat. 1133.

53 Stat. 1370.  
42 USC 405(g).

"(d) The Secretary may utilize for the purposes of this section the personnel and facilities of the agencies in Puerto Rico and the Virgin Islands cooperating with the United States Employment Service under the Act of June 6, 1933 (48 Stat. 113), as amended, and may delegate to officials of such agencies any authority granted to him by this section whenever the Secretary determines such delegation to be necessary in carrying out the purposes of this title. For the purpose of payments made to such agencies under such Act, the furnishing of such personnel and facilities shall be deemed to be a part of the administration of the public employment offices of such agencies.

"STATE TO WHICH FEDERAL SERVICE AND WAGES ARE ASSIGNABLE

"SEC. 1504. In accordance with regulations prescribed by the Secretary, the Federal service and Federal wages of an employee shall be assigned to the State in which he had his last official station in Federal service prior to the filing of his first claim for compensation for the benefit year, except that—

"(1) if, at the time of the filing of such first claim, he resides in another State in which he performed, after the termination of such Federal service, service covered under the unemployment compensation law of such other State, such Federal service and Federal wages shall be assigned to such other State;

"(2) if his last official station in Federal service, prior to the filing of such first claim, was outside the United States, such Federal service and Federal wages shall be assigned to the State where he resides at the time he files such first claim; and

"(3) if such first claim is filed while he is residing in Puerto Rico or the Virgin Islands, such Federal service and Federal wages shall be assigned to Puerto Rico or the Virgin Islands.

"TREATMENT OF ACCRUED ANNUAL LEAVE

"SEC. 1505. For the purposes of this title, in the case of a Federal employee who is performing Federal service at the time of his separation from employment by the United States or any instrumentality thereof, (1) the Federal service of such employee shall be considered as continuing during the period, subsequent to such separation, with respect to which he is considered as having received payment of accumulated and current annual or vacation leave pursuant to any Federal law, and (2) subject to regulations of the Secretary concerning allocation over the period, such payment shall constitute Federal wages.

"PAYMENTS TO STATES

"SEC. 1506. (a) Each State shall be entitled to be paid by the United States an amount equal to the additional cost to the State of payments of compensation made under and in accordance with an agreement under this title which would not have been incurred by the State but for the agreement.

"(b) In making payments pursuant to subsection (a) of this section, there shall be paid to the State, either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this title for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made upon the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency.

"(c) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State sums payable to such State under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds for carrying out the purposes of this title.

"(d) All money paid a State under this title shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this title, to the Treasury and credited to

68 Stat. 1133.  
68 Stat. 1134.

current applicable appropriations, funds, or accounts from which payments to States under this title may be made.

"(e) An agreement under this title may require any officer or employee of the State certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this title.

"(f) No person designated by the Secretary, or designated pursuant to an agreement under this title, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any compensation certified by him under this title.

"(g) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this title if it was based upon a voucher signed by a certifying officer designated as provided in subsection (f) of this section.

"(h) For the purpose of payments made to a State under title III, administration by the State agency of such State pursuant to an agreement under this title shall be deemed to be a part of the administration of the State unemployment compensation law. <sup>49 Stat. 626.</sup> <sup>42 USC 501</sup> <sup>et seq.</sup>

#### "INFORMATION

"SEC. 1507. (a) All Federal departments, agencies, and wholly owned instrumentalities of the United States are directed to make available to State agencies which have agreements under this title or to the Secretary, as the case may be, such information with respect to the Federal service and Federal wages of any Federal employee as the Secretary may find practicable and necessary for the determination of such employee's entitlement to compensation under this title. Such information shall include the findings of the employing agency with respect to—

- "(1) whether the employee has performed Federal service,
- "(2) the periods of such service,
- "(3) the amount of remuneration for such service, and
- "(4) the reasons for termination of such service.

The employing agency shall make the findings in such form and manner as the Secretary shall by regulations prescribe (which regulations shall include provision for correction by the employing agency of errors or omissions). Any such findings which have been made in accordance with such regulations shall be final and conclusive for the purposes of sections 1502 (c) and 1503 (c).

<sup>68 Stat. 1134.</sup>  
<sup>68 Stat. 1135.</sup>

"(b) The agency administering the unemployment compensation law of any State shall furnish to the Secretary such information as the Secretary may find necessary or appropriate in carrying out the provisions of this title, and such information shall be deemed reports required by the Secretary for the purposes of paragraph (6) of subsection (a) of section 303.

<sup>42 USC 503(a)(6).</sup>

#### "PENALTIES

"SEC. 1508. (a) Whoever makes a false statement or representation of a material fact knowing it to be false, or knowingly fails to disclose a material fact, to obtain or increase for himself or for any other individual any payment authorized to be paid under this title or under an agreement thereunder shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

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All 68 Stat. 1135.

"(b) (1) If a State agency or the Secretary, as the case may be, or a court of competent jurisdiction, finds that any person—

"(A) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed, or caused another to fail, to disclose a material fact, and

"(B) as a result of such action has received any amount as compensation under this title to which he was not entitled, such person shall be liable to repay such amount to the State agency or the Secretary, as the case may be. In lieu of requiring the repayment of any amount under this paragraph, the State agency or the Secretary, as the case may be, may recover such amount by deductions from any compensation payable to such person under this title during the two-year period following the date of the finding. Any such finding by a State agency or the Secretary, as the case may be, may be made only after an opportunity for a fair hearing, subject to such further review as may be appropriate under sections 1502 (c) and 1503 (c).

"(2) Any amount repaid to a State agency under paragraph (1) shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary under paragraph (1) shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

"REGULATIONS

"SEC. 1509. The Secretary is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this title. The Secretary shall insofar as practicable consult with representatives of the State unemployment compensation agencies before prescribing any rules or regulations which may affect the performance by such agencies of functions pursuant to agreements under this title.

"APPROPRIATIONS

"SEC. 1510. There are hereby authorized to be appropriated out of any moneys not otherwise appropriated such sums as are necessary to carry out the provisions of this title."

68A Stat. 939. (b) Section 1606 (e) and section 1607 (m) of the Internal Revenue Code of 1939 are each hereby amended by inserting after "December 31, 1945," the following: "and before January 1, 1955,".

69A Stat. 446, 453. (c) Effective with respect to services performed after December 31, 1954, section 3305 (e) and section 3306 (1) of the Internal Revenue Code of 1954 are hereby repealed.

Approved September 1, 1954.